

**THE GREATER BATON ROUGE  
ECONOMIC PARTNERSHIP, INC.**

Baton Rouge, Louisiana

Audited Financial Statements  
December 31, 2013 and 2012

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## **Independent Auditor's Report**

To the Board of Directors  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of The Greater Baton Rouge Economic Partnership, Inc. (the Partnership) which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Baton Rouge Economic Partnership, Inc. as of December 31, 2013 and 2012, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2014, on our consideration of The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Baton Rouge, LA  
May 27, 2014

**THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.**  
**Statements of Financial Position**  
**As of December 31, 2013 and 2012**

	2013	2012
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 107,903	\$ 23,343
Government Contracts Receivable	16,000	21,996
Other Receivables	128,453	88,166
Due from Related Party	362,320	-
Prepaid Expenses	2,100	5,350
<b>Total Current Assets</b>	<b>\$ 616,776</b>	<b>\$ 138,855</b>
<b>Current Liabilities</b>		
Accounts Payable	\$ 39,675	\$ 21,470
Unearned Revenues	40,814	35,000
<b>Total Current Liabilities</b>	<b>80,489</b>	<b>56,470</b>
<b>Net Assets</b>		
Unrestricted	536,287	82,385
<b>Total Net Assets</b>	<b>536,287</b>	<b>82,385</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 616,776</b>	<b>\$ 138,855</b>

The accompanying notes are an integral part of these financial statements.

**THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012
<b>Revenues</b>		
Contributions	\$ 287,289	\$ 368,972
Event Admissions and Sponsorships	497,336	324,060
Grants		
Louisiana Economic Development	204,411	200,125
City of Baton Rouge/Parish of East Baton Rouge	450,000	500,000
Other	27,878	-
In-Kind Operational Contributions	1,341,265	789,429
Other Income	2,613	84,182
<b>Total Revenues</b>	<b>2,810,792</b>	<b>2,266,768</b>
<b>Expenses</b>		
<b>Program Services</b>		
Business Development	1,303,930	1,309,415
Marketing, Membership and Events	644,294	534,858
Governmental Affairs	88,364	-
<b>Total Program Services</b>	<b>2,036,588</b>	<b>1,844,273</b>
<b>General and Administrative</b>		
Personnel	118,093	150,102
General Office	117,243	115,252
Occupancy	73,547	75,849
Professional Services	11,032	16,105
Travel and Hosting	387	3,960
Other	-	456
<b>Total General and Administrative</b>	<b>320,302</b>	<b>361,724</b>
<b>Total Expenses</b>	<b>2,356,890</b>	<b>2,205,997</b>
<b>Increase in Net Assets</b>	<b>\$ 453,902</b>	<b>\$ 60,771</b>

The accompanying notes are an integral part of these financial statements.

**THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.**  
**Statements of Changes in Net Assets**  
**For the Years Ended December 31, 2013 and 2012**

<b>Net Assets, January 1, 2012</b>	<b>\$ 21,614</b>
Increase in Net Assets	<u>60,771</u>
<b>Net Assets, December 31, 2012</b>	<b>82,385</b>
Increase in Net Assets	<u>453,902</u>
<b>Net Assets, December 31, 2013</b>	<b><u>\$ 536,287</u></b>

The accompanying notes are an integral part of these financial statements.

**THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	2013	2012
<b>Cash Flows from Operating Activities</b>		
Increase in Net Assets	\$ 453,902	\$ 60,771
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operations:		
(Increase) Decrease in:		
Government Contracts Receivable	5,996	7,357
Other Receivables	(40,287)	(88,166)
Due from Related Party	(362,320)	9,599
Prepaid Expenses	3,250	(4,750)
Increase (Decrease) in:		
Accounts Payable	18,205	9,364
Accrued Expenses	-	(77,897)
Deferred Revenue	5,814	(3,400)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>84,560</b>	<b>(87,122)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>84,560</b>	<b>(87,122)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>23,343</b>	<b>110,465</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 107,903</b>	<b>\$ 23,343</b>

The accompanying notes are an integral part of these financial statements.



# THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

## Notes to the Financial Statements

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### Note 1. Summary of Significant Accounting Policies

#### **Nature of Business**

The Greater Baton Rouge Economic Partnership, Inc. (the Partnership) is an affiliate of the Baton Rouge Area Chamber (the Chamber) and was incorporated on April 19, 1994, as a public non-profit organization under Internal Revenue Code Section 501(c)(3). According to its by-laws, the mission of the Partnership is to benefit and increase the quality of life of the general public in and around the Baton Rouge area by promoting and supporting activities and functions that attract business, educate the public, and create jobs that otherwise tend to increase economic growth and development in the region.

#### **Basis of Presentation**

The financial statements of the Partnership have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements. These financial statements include only activities and transactions of the Partnership.

The Partnership reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Temporarily restricted net assets are resources that are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by specific action pursuant to those stipulations. Permanently restricted net assets are those resources whose use is limited to donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by specific action. At December 31, 2013 and 2012, there were no permanently or temporarily restricted net assets.

The statement of activities presents expenses functionally, as program services and general and administrative.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Partnership considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for allowance for doubtful accounts, bad debt, and unearned revenue.

# THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

## Notes to the Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

##### Contributions

Contributions are recognized when the donor makes a promise to give to the Partnership that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets on the financial statements.

##### Grant Revenue Recognition

Grants that represent exchange transactions are recorded as a receivable when the grant costs are incurred and reimbursable. Grants that represent contributed support are recognized in the same manner as promises to give. Grant revenue is recognized in accordance with the terms specified by the grant.

##### Leadership Program

Revenue for the leadership program originates at the commencement of the program period. Such amounts are recorded as unearned revenue and are recognized as revenue over the applicable program period of ten months.

#### Designated and Temporarily Restricted Net Assets

The Partnership received contributions that were restricted for specific purposes by the donors. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase to temporarily restricted net assets, and upon satisfaction of the restriction, will be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no donor restricted contributions during 2013 or 2012.

#### Income Taxes

The Partnership is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### Advertising

The Partnership expenses advertising costs as they are incurred. Advertising costs of \$56,288 and \$-0- were incurred during the years ended December 31, 2013 and 2012, respectively.

## THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

### Notes to the Financial Statements

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#### Note 2. Related Party Transactions

The Chamber paid for certain operational expenses on behalf of the Partnership. The total amount paid on behalf of the Partnership for the years ended December 31, 2013 and 2012 was \$1,341,265 and \$789,429, respectively, and is included on the statement of activities as In-Kind Contributions.

The Chamber owed the Partnership for contributions deposited into the Chamber's account. The total amount due from the Chamber as of December 31, 2013 and 2012 was \$362,320 and \$-0-, respectively and is recorded as due from related party on the statement of financial position.

#### Note 3. Unearned Revenue

Unearned revenue at December 31, 2013 and 2012 consisted of \$40,814 and \$35,000, respectively, related to Leadership Revenue.

#### Note 4. Concentration of Credit Risk

The Partnership periodically maintains cash and cash equivalents in bank accounts in excess of federally insured limits. The Partnership has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

#### Note 5. Income Taxes

The Partnership follows the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The implementation of FASB ASC 740 had no impact on the Statements of Financial Position and the Statement of Activities.

The Partnership recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Partnership's tax filings are subject to audit by various taxing authorities. The Partnership's open audit periods are 2010 through 2013. There are currently no returns under examination. Management evaluated the Partnership's tax positions and considered that the Partnership had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

## THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

### Notes to the Financial Statements

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#### Note 6. Subsequent Events

Management has evaluated all subsequent events through May 27, 2014, the date that the financial statements were available to be issued. The Partnership is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**THE GREATER BATON ROUGE  
ECONOMIC PARTNERSHIP, INC.**

Baton Rouge, Louisiana

**Report on Internal Control over Financial Reporting and Compliance  
And Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Governmental Auditing Standards***

December 31, 2013

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<b>Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	<b>1 - 2</b>
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors  
The Greater Baton Rouge Economic Partnership, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Greater Baton Rouge Economic Partnership, Inc. (the Partnership), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements, and have issued our report thereon dated May 27, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Partnership's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Partnership's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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A Professional Accounting Corporation

Baton Rouge, LA  
May 27, 2014